1999 Interim Study Poll

Recommendations from LSD Research Staff to the Legislative Council

May 17, 1999

The Legislative Council has the statutory authority and responsibility for assigning interim studies. Thus, the staff recommendations are simply "recommendations".

BASIS FOR STAFF RECOMMENDATIONS

With respect to the studies that staff recommends for assignment to committees, the staff focused on the following criteria:

- ! requirements provided or discretion allowed within legislation
- ! ranking in the interim study poll
- ! objectives of managing and balancing staff and committee workloads according to Legislative Council direction
- ! other considerations, e.g., other legislation, activities by other entities

With respect to the specific committee recommended by staff to undertake a specific study, the staff focused on the following criteria:

- ! the statutory duties, responsibilities, and authority of the interim or statutory committee
- ! the expertise and policy purview of the interim or statutory committee
- ! the scope and nature of each study requested or required
- ! availability of committee time and funding
- ! availability of staff resources and funding
- ! other studies assigned to the committee
- ! the relative ranking of the study in the interim study poll
- ! other considerations, e.g., other legislation, activities by other entities, historical jurisdictions

1999-2000 INTERIM COMMITTEES AND ACTIVITIES PROGRAM LEGISLATIVE SERVICES DIVISION EXECUTIVE SUMMARY

- C Senate Bill No. 11 (Ch. 19, L. 1999) established six, statutory interim committees in place of the prior mix of statutory and ad hoc interim committees. Legislative Services Division (LSD) support for the six interim committees is in addition to support for the Legislative Council, the Environmental Quality Council, the Transition Advisory Council, and the Districting and Apportionment Commission. Each committee and the six interim committees will exercise their statutory duties and responsibilities during the interim and will receive LSD staff support and support from other legislative staff as appropriate.
- C There were 16 studies requested by joint resolutions adopted by the 56th Legislature, plus eight additional studies requested or required by bills. Unlike most recent sessions, the 56th Legislature avoided the temptation of creating unique legislative committees commissioned to study a single public policy issue.
- C Also in contrast to prior interim study polls, the results of the 1999 poll show no clear favorite among the 24 studies requested or required. HJR 29 -- a study of the laws governing counties -- received the largest number of votes of any of the discretionary studies, 59 votes, but that amounted to just over 7% of the total votes cast.
- C Eighteen of the 24 studies desired by the 56th Legislature <u>may be</u> assigned to an "appropriate interim committee" by the Legislative Council. (The exceptions are listed below.) That discretionary language and the Council's statutory authority under Title 5 allow the Council considerable latitude in assigning the 18 study requests, including not assigning the requests. However, the following studies are mandated by bill:
 - < HB 2 study of information technology to the Legislative Finance Committee;
 - < HB 79 study of retirement issues. The study is required but the study committee is not identified. (The State Administration, Retirement Issues, and Veterans' Affairs Interim Committee is a likely candidate).
 - < SB 390 (1997) study of utility restructuring to the Transition Advisory Committee (funded in HB 404);
 - < HB 515 study of government competition with private vendors. The study is required but the study committee is not identified. (The Business and Labor interim committee is a possible candidate).
 - < HB 458 study of "programs and management of streamside corridors" to the EQC; and
 - < SB 454 study state payments in lieu of taxes to local governments to Revenue and Taxation Committee.
- C Due to relative rankings and other factors, LSD research staff recommend that four of the studies requested not be assigned or undertaken during the interim:
 - < <u>HB 339</u>: judicial redistricting; <u>HB 566</u>: alternatives to Brady handgun laws; <u>SB 482</u>: licensure of mortgage lenders; <u>SJR 14</u>: and criminal sentencing statutes and data.
- C LSD staff recommend that the membership of the Education Interim Committee be expanded from 8 to 12 members and that the 4 additional members be appointed from the standing Local Government committees.
- C LSD staff will:
 - < seek and offer staffing assistance, cooperation, and coordination with LFD and LAD staff, as appropriate;
 - < seek assistance from Executive Branch resources whenever appropriate;
 - < propose to augment staffing resources whenever appropriate and necessary by contracting for services (e.g., personal services contracts, internships through the Montana University System or elsewhere, project-specific contracts; etc.);
 - < propose to identify specific allocations of legislative staff analysts' time for the 1999-2000 interim committees and activities program; and
 - < in partnership with the Legislative Council, continue to examine the trends in legislative demands for research, analysis, and committee support, identify solutions, and prepare recommendations for consideration by the 57th Legislature.

Summary Results of the 1999 Interim Study Poll

Study Requests of the 56th Legislature as Ranked by the Total Number of Votes Received

(As of 5 p.m., Thursday, May 12, 1999)

| RANK BY TOTAL VOTES | BILL OR RESOLUTION NUMBER | STUDY TOPIC/DESCRIPTION | TOTAL VOTES RECEIVED |
|---------------------------|---------------------------------|--|----------------------------|
| 1 | HJR 29 | Laws governing cities, counties, local governments | 60 |
| 2 | HJR 35 | Mental health managed care (to LSD/LFC) | 59 |
| 2 | HB 404 | Funding for TAC (study required in SB 390/395 in 1997) | 59 |
| 2 | HJR 34 | Eminent domain | 59 |
| 5 | HB 515 | Government competition with private vendors | 55 |
| 6 | SJR 18 | Study MEPA (by EQC) | 51 |
| 7 | НВ 2 | IT management (LFD/LFC) | 48 |
| 8 | SJR 15 | High claims, high rates, and low benefits in workers' comp | 40 |
| 9 | SJR 16 | Funding and administration of Montana higher education | 39 |
| 10 | HB 339 | Reapportionment of judicial districts | 34 |
| 10 | HJR 38 | Juvenile probation officers' salaries | 34 |
| 12 | HJR 37 | Women's prison issues | 32 |
| 13 | HJR 12 | Proposed state commission on Indian affairs | 31 |
| 14 | HB 458 | BMPs for streamside corridors and riparian areas | 29 |
| 14 | SJR 14 | Criminal sentencing statutes and data | 29 |
| 16 | HJR 18 | Broadcasting legislative deliberations | 27 |
| 16 | HJR 33 | Funding and management of wildlife resources | 27 |
| 18 | HB 79 | Retirement issues | 26 |
| 18 | SJR 21 | Incentives to preserve agricultural land | 26 |
| 20 | HB 566 | Alternatives to federal Brady handgun law | 24 |
| 21 | HJR 3 | Voluntary cleanup of contaminated sites | 23 |
| 22 | SB 454 | State payments in lieu of taxes to local governments | 19 |
| 23 | SB 482 | Study of mortgage lending | 18 |
| 24 | SJR 9 | State contracting laws and procedures | 17 |
| | ALL | TOTAL VOTES CAST | 866 |
| | ALL | TOTAL BALLOTS | 123 |
| | ALL | AVERAGE (MEAN) VOTES PER STUDY | 36 |
| | ALL | AVERAGE (MEDIAN) VOTES PER STUDY | 31.5 |

Note: The six studies/activities printed in *italics* are statutorily required to be conducted.

1999-2000 INTERIM RECOMMENDATIONS OF LSD RESEARCH STAFF FOR

ASSIGNMENT OF INTERIM STUDIES TO INTERIM COMMITTEES

(Bills/studies printed in **bold** are required by statute.)

| Committee | Study | Study | Study | Study |
|--|-----------|--------|---------|--------|
| Legislative Council | HJR 18 | | | |
| Education | HJR 29 | SJR 16 | | |
| Children, Families, Health, and Human Services | | | HJR 35? | |
| State Administration, PERS, and Veterans | HB 79 | HJR 38 | SJR 9 | |
| Business and Labor | HB 515 | SJR 15 | | |
| Law, Justice, and Indian Affairs | HJR 34 | HJR 37 | HJR 12 | |
| Revenue and Taxation | SB 390 | SB 395 | SB 454 | |
| Transition Advisory Committee | SB 390 | SB 395 | | |
| EQC | HB 458 | SJR 18 | HJR 3 | SJR 21 |
| Legislative Finance Committee | HB 2 (IT) | HJR 35 | HJR 33? | |

HJR 35 assigns the study to the LFC. SB 11 assigns the CFHHS Committee rule review and other monitoring duties regarding DPHHS, including mental health managed care, child support enforcement, etc.

| Bill No. | Study Description | |
|----------|--|--|
| HB 2 | Information technology (LFC) | |
| HB 79 | Retirement issues | |
| HB 339 | Judicial redistricting | |
| HB 404 | Transition Advisory Committee | |
| HB 458 | BMPs for streamside corridors | |
| HB 515 | Gov. competition w/ private vendors | |
| SB 454 | State payments in lieu of taxes | |
| SB 482 | Licensure of mortgage lenders | |
| HJR 3 | Voluntary cleanup of cont. sites | |
| HJR 12 | Commission on Indian affairs | |
| HJR 18 | Broadcasting legislative deliberations | |
| HJR 29 | Laws governing local governments | |

| Bill No. | Study Description | |
|----------|---|--|
| HJR 33 | Funding/mgmt. of wildlife resources | |
| HJR 34 | Eminent domain | |
| HJR 35 | Mental health managed care | |
| HJR 38 | JPO salaries | |
| HJR 37 | Women's prison issue | |
| SJR 9 | State contracting laws and procedures | |
| SJR 14 | Sentencing statutes and data | |
| SJR 15 | Work Comp claims, rates, benefits | |
| SJR 16 | Funding/administration of higher ed. | |
| SJR 18 | Study MEPA (EQC) | |
| SJR 19 | Death penalty | |
| SJR 21 | Incentives to preserve agricultural lands | |

| Studies required by bill include: | Requests not recommended for study: | |
|--|---|--|
| HB 2: Info tech. mgmt (LFC) | HB 339: Judicial redistricting | |
| HB 79: Retirement Issues | HB 566: Alternatives to Brady handgun laws | |
| HB 404: Continue Transition Advisory Committee | SB 482: Licensure of mortgage lenders | |
| HB 458: Mgmt. of streamside corridors (EQC) | SJR 14: Criminal sentencing statutes and data | |
| HB 515: Govt. competition w/ private vendors | | |
| SB 454: State payments in lieu of taxes | | |

Summaries of LSD Staff Recommendations for the 1999-2000 Interim Studies and Committees

The LSD research staff's recommendations for assignment of interim study requests to an interim or statutory committee are based on a number of factors, including:

- < the statutory duties and responsibilities of the interim or statutory committee;
- < the expertise and policy purview of the interim or statutory committee;
- < the scope and nature of each study requested;
- < the respective ranking of the study per the interim study poll;
- < availability of staff resources and funding; and
- < various contingencies and exigencies.

The LSD staff anticipates that the members of the Legislative Council will also weigh various factors in determining whether a requested study is assigned at all and for those studies that are assigned, to which committee each study is assigned. To that end, LSD staff will provide information at the Legislative Council meeting on May 17 on the following matters:

- C Studies assigned or recommended to be assigned, including:
 - < study ranking by the interim study poll;
 - < staff's interpretation of the legislature's rationale for conducting the study;
 - < staff's rationale for the committee assignment;
 - < estimated scope of the study (scale of 1 (low level) to 5 (high level)) with respect to committee involvement; and
 - < staff comments.
- C Statutory or other duties of the committee, including:
 - < specific mandates as articulated in Senate Bill No. 11; and
 - < other considerations.

Although the LSD staff recommendations include the assignment of interim studies to the Environmental Quality Council or the Legislative Finance Committee, it is understood that each of those committees will exercise their prerogatives in establishing interim work plans and schedules to accommodate their own statutory duties and responsibilities and priorities identified by those committees' members.

LEGISLATIVE COUNCIL

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HJR 18: Study of broadcasting legislative deliberations

Rank: No. 16 (tie), receiving 27 of 866 votes

Rationale for conducting the study: The resolution recommends an examination of the economic feasibility of televising legislative deliberations, the development of programming, production, and transmission guidelines, and an outline of management and administrative options. The results of this study could have significant and long-term impacts on public perceptions of and involvement in the legislative process. Televised proceedings can provide the public with timely, unfiltered, and useful information about state government, and thereby help increase civic awareness, civic involvement, and civic confidence, especially in rural communities distant from Helena.

Rationale for committee assignment: Policy decisions concerning the merits, feasibility, funding, and governance of a broadcast entity covering the legislature will require the assent of leadership in both houses. The composition of the Legislative Council, as well as its important role in relation to issues of statewide importance, makes it the most logical body to conduct or oversee this study. Legislative staff and several members of the Council, with the cooperation of interested groups, could conduct meetings and provide progress reports to the full Council on an ongoing basis.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1-2, minimal to nominal committee involvement

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11:

The Legislative Council's duties are generally described in Title 5, chapters 5 and 11, MCA, and cover the spectrum of issues relevant to administration of the Legislature.

EDUCATION INTERIM COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HJR 29: Laws governing cities and counties

Rank: No. 1, receiving 60 of 866 votes

Rationale for conducting the study:

Local government elected officials have identified the need to review and modernize local government laws in order to provide clear, modern, effective, and flexible guidelines to local governments and local officials in carrying out their duties and responsibilities to their citizens.

Rationale for committee assignment:

The study is recommended to be assigned to the Education Committee because there none of the interim committees is specifically designated to address local government issues and because school districts can be considered local governments. Some of the issues to be addressed in the study affect school districts in ways similar to the ways that counties and cities are affected.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is *likely to consume*): 3-4, moderate to relatively high committee involvement

Comments:

If HJR 29 is assigned to the Education Committee, the Committee should be expanded to 12 members with the four new members coming from the House and Senate Local Government Committees.

STUDY: SJR 16: Funding and administration of Montana higher education

Rank: No. 9, receiving 39 of 866 votes

Rationale for conducting the study:

The current method of lump-sum funding of higher education in Montana is more centered on institutions than on students and may not be the most efficient use of tax dollars. There is also a perceived need for greater involvement in policy making and control of expenditures by communities in which higher education institutions are located.

Rationale for committee assignment: The study is clearly within the Committee's purview.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 2-3, nominal to moderate committee involvement

Comments:

The study most likely will be conducted by a subcommittee that reflects the make-up of the former Postsecondary Education Policy and Budget Committee (including non-legislative members)

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11:

- 1. administrative rule review, program evaluation, and monitoring functions for State Board of Education, Board of Regents, Board of Public Education, and Office of Public Instruction;
- 2. provide information to the Board of Regents in the areas of budget, goals development, long-range planning, outcome assessment, and other areas considered necessary by the Committee;
- 3. periodically review success or failure of University System in meeting annual goals and long-range plans and results of outcome assessment programs;
- 4. develop mechanisms to ensure strict accountability of revenues and expenditures of University System;
- 5. study and report to Legislature on advisability of adjustments to funding mechanisms, including criteria for determining appropriate levels of funding;
- 6. act as liaison and encourage cooperation between both legislative and executive branches and Board of Regents.

Other considerations

- C The House Education Committee requested a study of the issue of out-of-district attendance and the need/rationale for tuition.
- Coordinating staff and committee activities with the LFD/LFC activities is essential and contemplated.

CHILDREN, FAMILIES, HEALTH, AND HUMAN SERVICES COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HJR 35: Privatization of mental health managed care (directed to LFC)

Rank: No. 2 (tie), receiving 59 of 866 votes

Rationale for conducting the study: House Joint Resolution No. 35 directs the Legislative Finance Committee further study the development of and monitor the transitions in the public mental health care system. HJR 35 also directs the LFD staff to work closely with the Legislative Audit Committee and other "appropriate interim committees" and their staffs to coordinate the appropriate functions and expertise to fulfill the goals of the resolution.

Rationale for committee assignment: Because some of the principal legislators involved in the mental health system legislation are members of this committee, because DPHHS is the department to which this committee is assigned administrative rule review and there will be mental health managed care rules adopted, and because this committee has monitoring duties for DPHHS, this committee will have some role in relation to this study.

The Legislative Finance Committee will lead the study, but this committee could appoint members to attend the Legislative Finance Committee meetings on mental health managed care and also be liaisons to the DPHHS Mental Health Oversight Advisory Council and the Mental Health Ombudsman. This interaction will enable greater integration of policy issues and finance issues and educate more legislators to the workings of the public mental health care system and the ramifications for future sessions.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 4-5, relatively high to maximum for LFC; 2-3, nominal to moderate for CFHHS

Comments: Direction from the Legislative Council on the level of LSD staff commitment on assisting and supporting the Legislative Finance Committee's study is recommended.

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11: The children, families, health, and human services interim committee has administrative rule review, program evaluation, and monitoring functions for the department of public health and human services and the entities attached to the department for administrative purposes.

Other considerations: There were numerous reports and various information cited in House Bill No. 2 that the DPHHS is required to deliver or report to this committee as the appropriate interim committee. Ongoing monitoring of the issues surrounding the welfare (FAIM) program and child support that are related to welfare reform should be performed. Public health issues and various licensing functions of the DPHHS may have outstanding issues left unresolved from last session.

STATE ADMINISTRATION, PUBLIC EMPLOYEES RETIREMENT SYSTEMS, AND VETERANS' ISSUES COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HB 79: Retirement issues

Rank: No. 18, receiving 26 of 866 votes

Rationale for conducting the study: With the enactment of HB 79, the state has embarked on the path of increased employee responsibility for retirement planning, specifically, the option to participate in a "defined contribution" (DC) retirement plan as opposed to the traditional "defined benefit" (DB) retirement plan. The fiscal and policy implications to the state (as employer) and to the state's employees of retirement policies are substantial. The study required in HB 79 will monitor the implementation of conversion from the traditional DB plan/option to the new, DC plan/option. HB 79 also requires the appropriate committee to examine the costs of public retiree health care (including insurance) and disability benefits for public employees.

Rationale for committee assignment: The committee is charged in SB 11 to observe and monitor public employee retirement issues.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 4-5, high to maximum committee involvement

Comments: The study contemplated in HB 79 continues and expands on the work of the former Committee on Public Employee Retirement Systems that had its beginnings in the 1989 Legislature.

STUDY: HJR 38: Juvenile probation officer salaries

Rank: No. 10 (tie), receiving 34 of 866 votes

Rationale for conducting the study: Juvenile probation officers are hired by district court judges. Minimum base salaries for are set statutorily, but historically and currently cost-of-living adjustments and other changes in salary are the domain of local governments. That allows for and may cause significant disparities in compensation, work rules, employment policies, supervision, and so on. The issues boil down to a discussion of state versus local control of employment policy--but primarily compensation--re JPOs.

Rationale for committee assignment: The Committee membership has experience in public employee compensation, classification, pay plans, etc.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1-2, minimal to nominal committee involvement

Comments: State versus local control of JPOs is but one facet of state/local relations and reflects the "double edged" nature of many state/local relationship issues.

STUDY: SJR 9: State contracting laws and procedures

Rank: No. 24, receiving 17 of 866 votes

Rationale for conducting the study: In recent years, the state has entered into multimillion dollar contracts for information technology (MTPRRIME), mental health managed care, and incarceration of expanding corrections populations (adult and juvenile males and adult and juvenile females) just to name a few. There has been little focused investigation of whether state contracting laws and procedures are sufficient for ensuring good (public) business practices. Similarly, there has been little investigation about the efficiency and effectiveness of public contracts in Montana. Examining these issues should better prepare the state as privatization trends continue.

Rationale for committee assignment: The membership of the Committee should be reasonably knowledgeable about state contracting laws and procedures and would likely sit on future standing committees addressing relevant legislation.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1-3, minimal to moderate committee involvement

Comments: This study was recommended by the former Committee on State Management Systems and resulted from that Committee's observations of, e.g., MTPRRIME.

Other considerations: Although the SJR 9 study was ranked relatively low in the poll, the policy issues and ramifications of public contracts, ranging from standardized or specialized contract language to contract enforcement, are matters that bear some examination by legislators.

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11:

The State Administration, Public Employees Retirement Systems, and Veterans' Issues Committee has administrative rule review, program evaluation, and monitoring functions for the Department of Administration, the Department of Military Affairs, and the Secretary of State, and the entities attached to the departments for administrative purposes.

It is anticipated that the Committee will continue the practice established by the former Committee on Public Employee Retirement Systems by requesting, reviewing, and evaluating revisions to Montana's public retirement systems, plans, or laws, and to make legislative recommendations whenever considered appropriate.

BUSINESS AND LABOR COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HB 515: Study government competition with private vendors

Rank: No. 5, receiving 55 of 866 votes

Rationale for conducting the study: The bill requires a study of two distinct issues: the impact of governmental units competing with private vendors; and whether privatization is warranted in certain cases. A detailed and systematic study of the issues is required before any specific policy decisions can be made.

Rationale for committee assignment: The study represents a traditional issue dealt with by standing business and labor committees. Since any proposed statutory changes will most likely be assigned to those panels, members will have a greater understanding of the issues appearing before them in 2001.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 3-4, moderate to relatively high committee involvement

STUDY: SJR 15: High rates, high claims, low benefits in re workers' compensation *Rank*: No. 8, receiving 40 of 866 votes

Rationale for conducting the study: Despite recent improvements, Montana's Workers' Compensation program is perceived to be uncompetitive with surrounding states. If a greater understanding of the current economic factors and the programs designed to promote workplace safety is achieved, it may allow the Committee to recommend program changes that would benefit employers and employees.

Rationale for committee assignment: This study also represents an issue that is customarily addressed by standing business and labor committees. Proposed statutory changes will likely be assigned to those panels and members will have a greater understanding of the issues before them in 2001.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1-2, minimal to nominal committee involvement

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11: Administrative Rule review and monitoring responsibilities for the following agencies:

Department of Agriculture Department of Commerce

Department of Livestock Department of Labor and Industry

Public Service Commission State Auditor

Other considerations: Some Committee members have expressed an interest in pursuing an ongoing discussion regarding economic development in Montana.

LAW, JUSTICE, AND INDIAN AFFAIRS COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HJR 34: Study use and power of eminent domain statutes

Rank: No. 2 (tie), receiving 59 of 866 votes

Rationale for conducting the study: Lack of clarity surrounding the use of eminent domain and the protections afforded to private property owners necessitate the need for heightened awareness and understanding by lawmakers. Several projects currently being proposed dramatize the need for state decision makers and the public to have a better understanding of this complex public policy issue.

Rationale for committee assignment: Eminent domain encompasses a wide array of policy decisions. However, at its most basic level, eminent domain relates to private property rights and the power of the state to take private property for a public purpose. While many issues play into the use of eminent domain, this study request is predominately about due process, just compensation, and the methods of acquiring property. As such, the foundation of this study is a matter of law.

Estimated Scope (scale of 1 to 5, based on the amount of committee time the study is likely to consume): 5, maximum committee involvement

Comments: The resolution encourages the committee assigned the study to facilitate the participation of affected stakeholders, including industry representatives, environmental groups, state and local government officials, and members of the public.

STUDY: HJR 37: Women's Prison Issues *Rank:* No. 12, receiving 32 of 866 votes

Rationale for conducting the study: Since May 1998, some Montana women inmates have been placed out-of-state because of extraordinary growth in the population of the women's correctional system. Transferring women inmates to out-of-state prisons and to regional correctional facilities for incarceration focuses primarily on housing needs, but may ignore the rehabilitation or treatment needs of women inmates. The classification of women inmates, the calculation of their term of incarceration, and the ability of the women to prepare for and attend timely parole hearings needs to be reviewed. Finally, the construction of a new building at the women's prison facility should be monitored by the committee.

Rationale for committee assignment: This committee, made up of members of the House and Senate Judiciary Committees, and having subject area jurisdiction and administrative rule review responsibilities for the Department of Corrections, is the logical committee to undertake this study.

Estimated Scope (scale of 1 to 5, based on the amount of committee time the study is likely to consume): 1-2, minimal to nominal committee involvement

STUDY: HJR 12: Study Proposed State Commission on Indian Affairs

Rank: No. 13, receiving 31 of 866 votes

Rationale for conducting the study: This study is proposed to investigate ways of improving the relationship between the state and the Indian tribes of Montana. The current structure of a single coordinator of Indian Affairs may be insufficient to address the relationship in a meaningful way due to a lack of resources and a lack of independence on the part of the Coordinator. It may also be beneficial to promote or ensure more active involvement by Indian people in an office or commission that is working to facilitate the government-to-government relationship between the state and the tribal governments.

Rationale for committee assignment: The issue fits within the Committee's purview.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 2-3, nominal to moderate committee involvement

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11:

Senate Bill No. 11 assigns the to the Committee "administrative rule review, program evaluation, and monitoring functions for the Department of Corrections and the Department of Justice and the entities attached to the departments for administrative purposes." The Committee is required to act as a liaison with the judiciary and as a liaison with Montana's Indian tribes, as well as a forum for state and tribal relations.

The requirements to act as a liaison with the judiciary and with Montana's tribal entities will require a significant time commitment on the part of the entire Committee. The Committee will continue the work of the Committee on Indian Affairs, as well as provide a forum as necessary for the tribes to bring issues of importance to the legislature.

In establishing a liaison with the judiciary, the Committee will be breaking relatively new ground, since a formal, relatively permanent relationship between a legislative interim committee and the judicial branch of government has not yet been established.

Other considerations: Senate Joint Resolution No. 14: study of sentencing statutes and data information: This study was ranked 14th (tie, 26 of 866 votes) and could require significant committee time that is probably unavailable if the HJR 34 study of eminent domain is assigned to the Law, Justice, and Indian Affairs Committee. The monitoring and examination of sentencing data, information collection, and management portion of HJR 34 can be accomplished under the Committee's monitoring duties. These matters were areas of concern to the Correctional Standards and Oversight Committee (1997-98) and need continued monitoring. If limited to these matters, the estimated scope of this portion of the SJR 14 study is 1, minimal committee involvement.

However, if the HJR 34 study is not assigned to Law, Justice, and Indian Affairs, then the Committee would have sufficient resources, particularly Committee meeting time, to accomplish the SJR 14 study, with an estimated scope of 2-3, nominal to moderate committee involvement. Sentencing issues are directly related to prison populations, recidivism, and judicial resources and can be used as a tool to mitigate the financial impact of corrections. The 1995 Sentencing Commission was not reauthorized and left many issues unresolved. The SJR 14 study could benefit from the research performed previously and does not contemplate reopening the "guidelines" controversy. The 1997-98

Correctional Standards and Oversight Committee brought forth successful legislation this past session that began cleaning up the sentencing statutes and provided information from which the committee could begin their study.

House Bill No. 339: redistricting judicial districts: This bill requests a study of whether the state's judicial districts need redistricting. However, Senate Bill No. 273 created an additional judicial district and added two district court judges. Therefore, the most pressing caseload issues underpinning this study are being alleviated in four judicial districts and the requested study may not be necessary, particularly given other issues to be considered. However, if the Legislative Council assigns the study, it can probably be accomplished without significant legislative involvement. Regardless, statutory changes, including realigning judicial district boundaries, would require legislation. The HB 339 study was ranked No. 10 (tie), receiving 34 of 866 votes.

REVENUE AND TAXATION COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: SB 390/SB 395 (1997 Session): Electric and natural gas utility restructuring *Rank:* NA (HB 404, which expands the TAC and provides funding, ranked No. 2 (tie))

Rationale for conducting the study: The continuing study, to assess the effects of restructuring on state and local taxation, is statutorily required.

Rationale for committee assignment: The study of the tax and revenue implications of utility restructuring is statutorily assigned to Revenue and Taxation.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 3, moderate committee involvement

STUDY: SB 454: State payments in lieu of property taxes

Rank: No. 22, receiving 19 of 866 votes

Rationale for conducting the study: Senate Bill No 454 requires a payment to Powell County from the Department of Corrections in lieu of property taxes for the ranch operation at the state prison. The bill also provides for a review of state payments in lieu of taxes to local governments from grazing, agricultural, and forest activities that are self-supporting or that compete with private enterprise. Current law requires a payment in lieu of taxes to a county in which state lands comprise in excess of 6% of the total area of the county. The study would address the issue of whether other state agricultural or forestry operations should provide payment in lieu of taxes in the county in which it occurs, regardless of the area requirement under current law.

Rationale for committee assignment: SB 454 assigns the study to the Committee

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1, minimal committee involvement

Comments: Senate Bill No. 454 assigned the review of payments in lieu of taxes to the interim local government funding and structure committee that would have been created under House Bill No. 662, but which died. However, the local government funding and structure committee was resurrected in Senate Bill No. 184. As originally coordinated with Senate Bill No. 454, the assignment to Revenue and Taxation stands. Thus, the study is assigned to both the Revenue and Taxation Committee and to the SB 184 local government funding committee. Staff recommends that Revenue and Taxation defer the study to the SB 184 local government funding and structure committee, with periodic updates provided to Revenue and Taxation.

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11 or elsewhere:

- C introduce House Joint Resolution for establishing revenue estimates (5-18-107, MCA);
- C Department of Revenue report on credit for contributions to qualified endowment (15-1-230, MCA);
- C Department of Revenue annual report on intangible personal property (Sec. 1, Senate Bill No. 111);
- C review Department of Revenue rules to change the distribution formula of oil and gas production taxes in the event the Board of Oil and Gas Conservation revises privilege and license tax (15-36-324, MCA);
- C review Department of Transportation cooperative agreements on motor fuel taxes with Indian tribes (15-70-234, MCA):
- C provide recommendations to the Office of Budget and Program Planning concerning anticipated revenue shortfalls that may result in a general fund budget deficit in anticipation of the Governor's authority to reduce spending (17-7-140, MCA);
- C analyze the amount of state and local tax revenue derived from natural gas suppliers in competitive markets and the effect on state and local tax revenue as a result of restructuring and competition (69-3-1409, MCA, Ch. 506, L. 1997);
- C analyze the amount of state and local tax revenue derived from electricity suppliers in competitive markets and the effect on state and local tax revenue as a result of restructuring and competition (69-8-503, MCA, Ch. 505, L. 1997);
- C Department of Revenue report to and consultation with the Committee concerning the in-kind payment of state inheritance or estate taxes by the transfer to the state of property having historical or artistic interest (72-16-447 and 72-16-448, MCA);
- C Montana Historical Society and the Department of Fish, Wildlife, and Parks report to the Department of Revenue and the Committee on the receipt of in-kind payments of state inheritance or estate taxes (72-16-450, MCA);
- the Board of Oil and Gas Conservation is required to report at least once a year to the Committee regarding oil production from new enhanced recovery projects or from horizontally completed wells (Sec. 21, Ch. 9, Sp. L. November 1993).

Other considerations: Legislative changes to property tax laws often require complicated changes to local bonding capacity provisions under Title 7 and Title 20. The Revenue and Taxation Committee may review bonding capacity laws to simplify the determination of bonding capacity for debt limit purposes. This review could be accomplished separately or in conjunction with House Joint Resolution No. 29, laws governing local governments.

The Revenue and Taxation Committee should monitor the effects of changes associated with the reduction of business equipment taxes (Senate Bill No. 200), the reduction of the tax rates applied to electrical generation property and telecommunications property (House Bill No. 174 and House Bill No. 128, respectively), reduction of motor vehicle taxes (Senate Bill No. 260), revisions to oil and natural gas production taxes (Senate Bill No. 530, House Bill No. 658, and House Bill No. 661), and the general revisions to property tax laws (Senate Bill No. 184).

Finally, the Department of Commerce was, prior to SB 11, required under 17-6-511, MCA, to report to the Revenue Oversight Committee on the job investment program. SB 11 changed the reporting requirement to the "appropriate legislative interim committee". Likewise, legislative review of Montana capital companies, under 90-8-311, MCA, was reassigned from ROC to the "appropriate

legislative interim committee". Because the Department of Commerce is generally under the purview of the Business and Labor Interim Committee, that committee may be the appropriate legislative interim committee in both instances.

ELECTRIC UTILITY TRANSITION ADVISORY COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: SB 390/SB 395 (1997); HB 404 (1999) *Rank:* No. 2 (tie), receiving 59 of 866 votes

Rationale for conducting the study The study of utility restructuring was adopted in SB 390 and SB 395 during the 55th Legislative Session (1997). This is the continuation of that study, as anticipated.

Rationale for committee assignment: Statutorily required.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 5, maximum committee involvement

Comments: The provisions of SB 11 do not affect the TAC directly, but in general, the rule review and monitoring functions stipulated for interim committees are applicable to the TAC in relation to the Public Service Commission (PSC) and, in small measure, to the Departments of Environmental Quality and Health and Human Services, which bear responsibility under HB 337 for administering universal system benefit programs (USBPs).

Other considerations (emerging issues of statewide importance, possible issues within the committee's purview for which no study was requested.) Senate Bill 390, the 1997 enabling legislation for restructuring, set forth a number of functions and duties of the TAC that are ongoing. These items are codified in 69-8-501, MCA, and include an annual report to the governor and legislative leaders on or before November 1 each year on the transition to effective competition in the electricity supply market. The annual report for 2000 must evaluate pilot programs and must include legislative recommendations (if appropriate) about the best means to encourage customer choice and market access for smaller customers, and about consumer protection from anti-competitive practices. The report for 2000 will also address the larger and more controversial issue of determining what "effective competition" means in the Montana context and whether current laws and policies are adequate to help bring effective competition to fruition.

The Committee will also deal with legislation passed in 1999:

- SB 406 enables the creation of non-profit, tax exempt purchasing cooperatives to obtain low-cost power from federal and other sources for residential and small commercial customers. The bill also requires the PSC to determine the default supplier for customers who do not choose an electricity supplier, to license default suppliers, and to promulgate licensing rules by December 1, 1999:
- C HB 196 allows cities and towns to become local default suppliers, provided they obtain a license from the PSC;
- C HB 337 implements the USBPs formulations resulting from the TAC subcommittee's work last interim.

The TAC is likely to perform monitoring and evaluation functions in connection with other issues that are integral to the restructuring process, including but not limited to: the calculation and disposition of utilities' transition charges; Montana Power Company's transaction costs and other tax-related consequences of the sale of MPC's generation facilities (which will entail collaboration with the Revenue and Taxation Committee); the implementation of the USBPs (including a negotiated rulemaking process); and the safety and reliability dimensions of regional power distribution networks. Water rights and land use issues associated with the FERC relicensing of hydroelectric plants on the Missouri River system may also arise again during this interim.

The TAC is required to meet at least quarterly, but eight to ten meetings are probable, several of which may be in locations outside of Helena.

ENVIRONMENTAL QUALITY COUNCIL

STUDIES ASSIGNED OR RECOMMENDED

STUDY: SJR 18: Study Montana Environmental Policy Act (MEPA)

Rank: No. 6, receiving 51 of 866 votes

Rationale for conducting the study: MEPA was enacted in 1971 and is the foundation of much environmental policy in Montana. MEPA's provisions have not been comprehensively analyzed since 1988 and, with ever-increasing magnitude and complexity of MEPA implementation and policy, the Act deserves and perhaps demands careful and deliberative study at this time.

Rationale for committee assignment: The EQC has longstanding and statutorily required involvement in MEPA issues and has demonstrated strong bipartisan expertise in analyzing and reviewing MEPA policy and implementation. Also, SJR 18 contains language directing the study towards the EQC.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 4-5, high to maximum committee involvement

STUDY: HJR 3: Study voluntary cleanup of contaminated sites

Rank: No. 21, receiving 26 of 866 votes

Rationale for conducting the study: Environmentally contaminated sites pose numerous problems and challenges for both the property owners and others affected by the contamination. Because there is currently some level of interest in potentially redeveloping some of the contaminated sites, it may be timely to investigate options for promoting the voluntary cleanup of these sites, including the adoption or expansion of tax incentives or other inducements.

Rationale for committee assignment: The EQC has longstanding involvement in environmental reclamation and a tradition of bipartisan expertise in analyzing and reviewing such issues. Additionally, HJR 3 contains language urging the EQC to undertake the study.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 2-3, nominal to moderate committee involvement

STUDY: HB 458: BMPs/review of programs for streamside corridors and riparian areas *Rank*: No. 14 (tie), receiving 29 of 866 votes

Rationale for conducting the study: The preamble in HB 458 speaks to the general understanding that owners of land along Montana's rivers and streams, water users, and recreationists recognize the importance of maintaining and conserving these streamside corridors and riparian areas. The study entails a review of programs and dissemination of information about best management practices.

Rationale for committee assignment: HB 458 assigns the study to the EQC.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is

STUDY: SJR 21: Study of incentives to preserve agricultural land/open space and incentives for cluster development

Rank: No. 18 (tie), receiving 26 of 866 votes

Rationale for conducting the study: The preamble states that agricultural land is increasingly being taken out of production and that cluster development can result in lower costs for provision of services and can help to facilitate preservation of agricultural land and open space. Furthermore, local governments need mechanisms to encourage preservation of agricultural land and open space and to encourage more cost-effective development approaches, such as cluster development.

Rationale for committee assignment: The EQC has historically been involved in issues related to local land use planning, zoning, and subdivision review. During the 1997-1998 interim, the EQC appointed a growth study subcommittee to address similar issues and published a report *Planning for Growth in Montana* that includes information relevant to this study.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 2-3, nominal to moderate committee involvement.

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

Specific Statutory Mandates as articulated in Senate Bill No. 11 or elsewhere:

The Environmental Quality Council's duties are generally described in Title 5, chapter 16, Title 75, chapter 1, and section 85-2-105, MCA, and broadly cover natural resource, environmental, water fish and wildlife, and energy issues. Under SB 11, the EQC has administrative rule review and monitoring responsibilities for the following agencies:

- C Department of Environmental Quality;
- C Department of Natural Resources and Conservation; and
- C Department of Fish, Wildlife, and Parks.

The Council's wide-ranging and statutorily assigned duties are more completely described in the primer on the Environmental Quality Council, prepared by the Legislative Environmental Policy staff.

Other considerations: The EQC has a longstanding history of being among the most active legislative committees. The EQC and its principal staff, the LSD's environmental policy staff, have exhibited considerable success in executing their statutory duties and responsibilities, while also undertaking numerous, successful investigations of controversial issues. It is anticipated that the EQC will continue with its practice of prioritizing its statutory responsibilities and discretionary activities to accommodate the limitations imposed through budget and staff resources.

LEGISLATIVE FINANCE COMMITTEE

STUDIES ASSIGNED OR RECOMMENDED

STUDY: HB 2: Information technology management

Rank: No. 7, receiving 48 of 866 votes

Rationale for conducting the study: The state has invested tens of millions of dollars during the 1990s to keep pace with changes in information technology. With technological development and innovation occurring so rapidly, it is both difficult and costly to keep pace. Continued study of the state's approach to managing information technology is intended to ensure that current and future investments in information technology is well conceived, cost effective, and sensible.

Rationale for committee assignment: Required in HB 2 language

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 3-5, moderate to maximum committee involvement

STUDY: HJR 35: Privatization of mental health managed care

Rank: No. 2 (tie), receiving 59 of 866 votes

Rationale for conducting the study: Mental health service delivery for the indigent is an issue in nearly every state. In Montana, a 5-year contract to privatize mental health care for the indigent was authorized by the 55th Legislature (1997) but will terminate this year due to problems experienced by the contractor, the state (DPHHS), care providers, and clients. The issues are rooted in both policy and budget, are highly visible, complex, and unable to be ignored. The study continues work begun in the late 1980s.

Rationale for committee assignment: Language in HJR 35 directs the study to the Legislative Finance Committee.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 4-5, high to maximum committee involvement

STUDY: HJR 33: Funding and management of wildlife resources

Rank: No. 16 (tie), receiving 27 of 866 votes

Rationale for conducting the study: Support of the state's hunting and fishing resources has been historically borne primarily by hunters and anglers. Increasingly, state and federal laws and regulations have forced the state Department of Fish, Wildlife and Parks to divert finite resources to activities that were not originally part of the Department's mission. With these and other changes, it may be the appropriate time to assess the duties and responsibilities of the Department in the context of the financial resources and revenue sources historically relied upon.

Rationale for committee assignment: The study was requested by the Appropriations Joint Subcommittee on Natural Resources and language in the resolution suggests that the financial aspects

of the study deserve primacy. Thus, the Legislative Finance Committee seems minimally more appropriate than the EQC, which also clearly has interests and jurisdiction.

Estimated Scope (scale of 1 (low) to 5 (high) based on the amount of committee time the study is likely to consume): 1-2, minimal to nominal committee involvement

Considerations: The Legislative Council, Legislative Finance Committee, and EQC may need to discuss overall interim work plans, meeting schedules, and other factors prior to final assignment of HJR 33.

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

The duties and responsibilities of the Legislative Finance Committee are found in Title 5, chapter 12, MCA, and broadly cover monitoring and investigation of public finance matters.

Other considerations: The LFC has a longstanding history of being among the most active legislative committees. The LFC and its principal staff, the Legislative Fiscal Division staff, have exhibited considerable success in executing their statutory duties and responsibilities, while also undertaking numerous, successful investigations of fiscal and policy issues. It is anticipated that the LFC will continue with its practice of prioritizing its statutory responsibilities and discretionary activities to accommodate the limitations imposed through budget and staff resources.

DISTRICTING AND APPORTIONMENT COMMISSION

STATUTORY DUTIES/OTHER DUTIES AS DETERMINED BY COMMITTEE

The Districting and Apportionment Commission's duties are found in the Montana Constitution at Article V, section 14 and Title 5, chapter 1, MCA. The Legislative Service Division's obligation to provide technical staff and clerical services is provided for in 5-1-106, MCA.

Other considerations: The Commission will meet three or four times over the interim to prepare for congressional and legislative redistricting following the 2000 U.S. Census. The Commission has considered expediting its schedule to perform legislative redistricting during 2001. If the decision is made to expedite redistricting, the tasks involved will consume significantly greater staff resources during 2000 than have been contemplated in developing the LSD Research Office's interim plan and could also impact the LSD's staff support to the 57th Legislature in 2001.

STUDY REQUESTS NOT RECOMMENDED FOR COMMITTEE ASSIGNMENT

In keeping with the objective identified by the Legislative Council to manage and balance workloads during the interim for both staff and committees, the LSD research staff recommends that the studies requested in the legislation listed below not be assigned to a committee for study during the 1999-2000 interim. *However, the final decision rests with the Legislative Council.*

HB 339: Judicial redistricting

HB 566: Alternatives to Brady handgun laws

SB 482: Licensure of mortgage lenders

SJR 14: Criminal sentencing statutes and data

The staff's rationale for the recommendation is as follows:

HB 339: Judicial redistricting. This bill requests a study of whether the state's judicial districts need redistricting. However, Senate Bill No. 273 created an additional judicial district and added two district court judges. Therefore, the most pressing caseload issues underpinning this study are being alleviated in four judicial districts and the requested study may not be necessary, particularly given other issues to be considered. However, if the Legislative Council assigns the study, it can probably be accomplished without significant legislative involvement. Regardless, statutory changes would require legislation. The HB 339 study was ranked No. 10 (tie), receiving 34 of 866 votes.

HB 566: Alternatives to Brady handgun laws. The bill calls for a study to identify or design a "valid state law alternative method of complying with the national instant criminal background check system", i.e., the federal Brady Bill. The issues in the requested study probably fall within the purview of the Law, Justice, and Indian Affairs Committee. Staff have recommended that three other studies be assigned to that Committee, which also has rule review and monitoring responsibilities to carry out, suggesting a relatively heavy workload. Each of the three studies recommended to the Committee ranked higher than the HB 566 study request (20th).

SB 482: Licensure of mortgage lenders. The study requested would focus on:

- (a) necessary protections for consumers seeking residential mortgage loans;
- (b) determining if the residential mortgage lending industry is operating fairly, honestly, and efficiently and free from deceptive and anticompetitive practices;
- (c) the current regulation of the residential mortgage lending industry and how current regulations:
 - (i) benefit Montana citizens by ensuring the availability of residential mortgage funding;
 - (ii) benefit responsible providers of residential mortgage loans and services; and
 - (iii) avoid or, at least, minimize requirements inconsistent with legitimate and responsible business practices in the residential mortgage lending industry;
- (d) the advisability of legislatively imposing additional, clearer, fewer, or different requirements or restrictions on the mortgage lending industry; and
- (e) the advisability of imposing or revising the licensure of residential mortgage lenders.

The subjects of this study probably fall within the jurisdiction of the Business and Labor Committee. Staff have recommended that two other studies be assigned to that Committee, which also has its rule review and monitoring responsibilities to carry out. Each of the two studies recommended to be assigned to the

Committee ranked higher than the SB 482 study request (23rd).

SJR 14: Criminal sentencing statutes and data. This study was ranked 14th (tie, 29 of 866 votes) and, if approached comprehensively, would likely require significant committee time that is probably unavailable if the HJR 34 study of eminent domain is assigned to the Law, Justice, and Indian Affairs Committee. The monitoring and examination of sentencing data, information collection, and management portion can be accomplished under the Committee's monitoring duties. These matters were areas of concern to the Correctional Standards and Oversight Committee (1997-98) and need continued monitoring. If limited to these matters, the estimated scope of this portion of the SJR 14 study is 1, minimal committee involvement.

However, if the HJR 34 study is not assigned to Law, Justice, and Indian Affairs, then the Committee would have sufficient resources, particularly Committee meeting time, to accomplish the SJR 14 study, with an estimated scope of 2-3, nominal to moderate committee involvement. Sentencing issues are directly related to prison populations, recidivism, and judicial resources and can be used as a tool to mitigate the financial impact of corrections. This study could benefit from much of the research that was performed previously by the Sentencing Commission (1995) and by the 1997-98 Correctional Standards and Oversight Committee and information that may be available elsewhere.

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